

Message Text

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PAGE 01 PRETOR 01540 171135Z
ACTION AF-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 USIA-06
AID-05 COME-00 EB-08 FRB-03 TRSE-00 XMB-02
OPIC-03 LAB-04 SIL-01 OMB-01 IO-13 /099 W
-----023815 180930Z /20

R 171058Z MAR 78
FM AMEMBASSY PRETORIA
TO SECSTATE WASHDC 746
INFO AMCONSUL CAPE TOWN
AMCONSUL DURBAN
AMCONSUL JOHANNESBURG

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CAPE TOWN ALSO FOR EMBASSY

E.O. 11652: N/A
TAGS: EFIN, SF
SUBJECT: LENDING POLICIES OF U.S. BANKS TOWARDS SOUTH AFRICA

REF: PRETORIA 724

1. ACCORDING TO PRESS REPORTS HERE, CITIBANK MAILED A STATEMENT TO SHAREHOLDERS IN EARLY MARCH SAYING THAT "CITIBANK IS NOT MAKING BALANCE OF PAYMENTS LOANS IN SOUTH AFRICA NOR MAKING LOANS TO THE GOVERNMENT OF SOUTH AFRICA. INSTEAD, CITICORP IS LIMITING ITS CREDIT, SELECTIVELY, TO CONSTRUCTIVE PRIVATE SECTOR ACTIVITIES THAT CREATE JOBS AND WHICH BENEFIT ALL SOUTH AFRICANS."

2. A CITIBANK OFFICIAL HERE TOLD US THIS POLICY HAD ACTUALLY BEEN FOLLOWED SINCE 1976 SOWETO RIOTS AND WAS PUBLICIZED AT THIS TIME TO COUNTERACT STOCKHOLDER PRESSURES TO PULL OUT OF SOUTH AFRICA OR REVEAL ITS LOANS HERE.

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3. CITIBANK, LIKE MOST OTHER U.S. BANKS, IS LIMITING ITSELF TO ONE-YEAR TERM LOANS FOR WHICH IT SHOWS THERE IS HEAVY DEMAND, WITH SAG ENCOURAGING BUSINESSES TO BORROW ABROAD AT LOWER RATES. CITIBANK'S POLICY, ANNOUNCED A YEAR AGO OF "MODERATING" ITS INVOLVEMENT IN SA MEANS IN PRACTICE ONLY THAT BANK IS NOT EXPANDING

ITS BUSINESS AS RAPIDLY AS BEFORE.

4. BANK OF AMERICA AND REPUBLIC NATIONAL BANK OF DALLAS
HAVE ALSO CONTACTED EMBASSY RECENTLY. BOTH INDICATED
THEY WERE LEANING TOWARD MODERATE EXPANSION IN
SA, ALTHOUGH BANK OF AMERICA OFFICIALS DID NOT KNOW IF
HOME OFFICE WOULD ACCEPT THEIR RECOMMENDATIONS.
BOWDLER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978PRETOR01540
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780120-0832
Format: TEL
From: PRETORIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780354/aaaabtqr.tel
Line Count: 70
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1d8817c5-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
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Previous Handling Restrictions: n/a
Reference: 78 PRETORIA 724
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 19 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
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Review Withdrawn Fields: n/a
SAS ID: 3290230
Secure: OPEN
Status: NATIVE
Subject: LENDING POLICIES OF U.S. BANKS TOWARDS SOUTH AFRICA
TAGS: EFIN, SF
To: STATE
Type: TE
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